

and now "New Friends and Family" plan is its principal savings plan. "Packaging is important [and] AT&T is coming to realize this," said Angela Dunlap, MCI marketing officer. She said residential and business customers are interested in more than just saving money and now demand "savings plus." "Communications has become more than long distance," she said.

In related development, GTE unveiled intraLATA long distance plan, offering 25% discounts for residential customers who spend more than \$10 monthly, 10-20% discounts for business customers spending at least \$5 per month, based on call volume, company said. "GTE Between Friends" customers will be switched automatically to new "Easy Savings Plan," where permitted by regulators, company said. Plan will begin for business customers in Mich. and Cal., residential users in Ky. and Fla. this month and all 22 GTE states added by Oct. 1996.

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# Saving Money On Your Long Distance Bill

Choosing a long distance carrier and calling plan can be a daunting task for even the most market-wise consumer. Everyday, we are exposed to direct mail, telemarketing, and television advertising campaigns from long distance carriers, with each company claiming to offer the best available rates and savings. With the recent passage of the Telecommunications Act of 1996, consumers are likely to face additional difficulties sorting through the numerous new calling plans and promotions which will soon be made available. New companies will enter the long distance market, local phone service will become competitive, and related services such as cellular technologies and the Internet will become increasingly important to us all. How can consumers make informed decisions with so many different factors to consider? We at the Telecommunications Research and Action Center (TRAC) suggest that you use *Tele-Tips*, this thorough yet simple reference tool for the thrifty consumer.

No matter what changes occur in the market, the most important questions have always remained: "Which long distance company is the cheapest?" and "How do I know which company or plan is best for me?" With an increasing number of long distance carriers offering new features and services each day, just choosing a long distance provider isn't always enough. To be certain you are getting the best rates, you must also be sure you are enrolled in the right calling plan. These plans are constantly changing, however, and a plan offered one year may be gone the next. A plan that is a carrier's cheapest one year, can suddenly become its most expensive. You can always save money on your long distance phone bill, and TRAC's *Tele-Tips* Residential Long Distance Comparison Chart is the best and easiest way to help you find those savings.

Saving money on your long distance bill can be done by periodically conducting long distance check-ups. How frequently you should do this depends on how much money you typically spend on long distance. The higher your phone bill, the more often you should conduct a check-up — though it's generally advisable to do at least once per year. Recommended times to review your long distance bills are when you change your residence or calling patterns.

Conducting a check-up is easy. The first step is to call your carrier's toll-free customer service number and ask if you're on their least expensive calling plan. Make sure that when they look at your records, they

examine a typical calling month. If you decide you are not satisfied with your current situation, this is a great time to shop around.

**1. Determine Your Calling Patterns.** Take a look at your long distance bills for the past three months. Determine when you make the greatest number of calls, and the average length of your conversations. Determine whether there is a pattern to your calls, such as frequently dialing the same number or area code, or making the bulk of your calls during a certain time of day. Recognizing such patterns will also help you determine which category you fit into on TRAC's comparison chart.

**2. Find Your Category on the Chart.** TRAC has created three typical calling baskets that are intended to reflect calling patterns based on the time of day you most often make calls. For example, if you make your calls throughout the day, evening, night, and weekend, you would be considered an "Average Daily User." Find the calling pattern that best resembles the time and money you spend on the phone in a typical month. You can calculate these numbers respectively by totaling either the number of minutes you called or the amount of money you spent over three months, and dividing that number by three (the number will be your monthly average). Use this information to determine which column most closely reflects your calling patterns.

**3. Compare Plans.** Now that you have found your category and column, look for the least expensive calling plans. Then, read each plan's description to ensure that you meet the requirements to receive discounted rates, and also to ensure that the plan includes all the features and services you desire.

**4. Research the Plans.** Once you are interested in some plans, follow-up with additional research. Call the carriers to confirm that these would, indeed, be the best plans for you, that the rates are still the same, and the features and services you want are still offered with those calling plans. Remember, plans change frequently and competition results in even more frequent rate and service changes.

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# TRAC's Long Distance Comparison Chart

PRG. 003

| PLANS  | AVERAGE DAILY USE <sup>1</sup> |                      |                      |                      |                      |                        | HEAVY              |                     |                      |
|--|--------------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|--------------------|---------------------|----------------------|
|  | 0 calls<br>63 min.             | 10 calls<br>100 min. | 18 calls<br>180 min. | 34 calls<br>310 min. | 60 calls<br>520 min. | 120 calls<br>1080 min. | 8 calls<br>48 min. | 12 calls<br>66 min. | 18 calls<br>108 min. |
| <b>Standard Rate Plans<sup>4</sup></b>   |                                |                      |                      |                      |                      |                        |                    |                     |                      |
| AT&T Basic Standard  | \$10.12                        | \$24.42              | \$37.18              | \$70.61              | \$118.72             | \$333.54               | \$9.90             | \$22.88             | \$36.13              |
| Frontier Basic <sup>1</sup>  | \$10.12                        | \$24.42              | \$37.74              | \$72.68              | \$117.20             | \$325.97               | \$10.04            | \$23.18             | \$36.27              |
| Lei Basic  | \$10.12                        | \$24.42              | \$38.91              | \$67.58              | \$112.63             | \$328.34               | \$9.80             | \$23.32             | \$36.69              |
| Long WorkWeek MTS  | \$9.87                         | \$22.29              | \$35.81              | \$68.92              | \$102.84             | \$308.88               | \$9.24             | \$20.77             | \$31.48              |
| Monthly SmartWeek Basic  | \$9.72                         | \$21.28              | \$35.04              | \$65.78              | \$92.29              | \$285.43               | \$7.88             | \$18.22             | \$28.17              |
| MTS Basic <sup>1</sup>   | \$10.08                        | \$24.28              | \$38.98              | \$70.43              | \$116.08             | \$331.18               | \$9.84             | \$22.73             | \$36.35              |
| Spring Standard  | \$10.12                        | \$24.42              | \$37.18              | \$70.61              | \$118.72             | \$333.54               | \$9.90             | \$22.88             | \$36.13              |
| <b>Flat-Rate Plans<sup>4</sup></b>   |                                |                      |                      |                      |                      |                        |                    |                     |                      |
| AT&T Easy Close  | \$8.40                         | \$18.28              | \$31.34              | \$63.41              | \$104.23             | \$297.98               | \$6.80             | \$15.28             | \$24.28              |
| Frontier Homeowner   | \$8.52                         | \$18.28              | \$34.58              | \$47.88              | \$77.03              | \$211.08               | \$6.84             | \$16.93             | \$25.34              |
| Lei All America Plan   | \$7.88                         | \$17.87              | \$28.88              | \$51.88              | \$84.88              | \$241.18               | \$6.83             | \$15.88             | \$24.83              |
| Long WorkWeek Home Advantage   | \$8.30                         | \$18.83              | \$34.70              | \$68.08              | \$78.20              | \$215.55               | \$7.00             | \$16.96             | \$25.90              |
| Monthly Smart Week   | \$7.28                         | \$17.81              | \$28.18              | \$54.02              | \$88.78              | \$258.43               | \$7.10             | \$16.08             | \$23.59              |
| Monthly SmartWeek  | \$8.78                         | \$18.72              | \$29.43              | \$48.48              | \$80.20              | \$229.00               | \$8.98             | \$15.88             | \$23.04              |
| Monthly Small Office Home Office   | N/A                            | N/A                  | \$28.78              | \$51.71              | \$85.12              | \$240.33               | N/A                | N/A                 | \$28.02              |
| MTS Home   | \$8.40                         | \$18.80              | \$30.80              | \$58.30              | \$84.70              | \$238.00               | \$8.90             | \$18.80             | \$25.80              |
| Spring Series  | \$7.40                         | \$18.28              | \$28.08              | \$53.80              | \$82.88              | \$238.78               | \$8.20             | \$18.00             | \$28.80              |
| <b>Discount Plans Based on Consumer Calling Patterns<sup>4</sup></b>           |                                |                      |                      |                      |                      |                        |                    |                     |                      |
| AT&T Anytime   | \$11.50                        | \$30.33              | \$52.71              | \$84.47              | \$189.98             | \$248.21               | \$11.75            | \$18.89             | \$28.18              |
| AT&T True Savings<br>first open to new customers                               | \$7.58                         | \$18.03              | \$28.28              | \$52.87              | \$85.45              | \$237.58               | \$8.90             | \$17.89             | \$27.18              |
| AT&T True Savings  | \$8.11                         | \$21.38              | \$27.83              | \$53.11              | \$87.84              | \$248.78               | \$8.90             | \$20.57             | \$27.10              |
| Lei Friends & Family   | \$8.90                         | \$21.33              | \$27.82              | \$53.48              | \$87.85              | \$248.88               | \$8.88             | \$20.11             | \$28.08              |
| MTS Friends & Family Free  | \$8.88                         | \$17.15              | \$28.80              | \$58.18              | \$80.47              | \$248.85               | \$8.43             | \$14.08             | \$25.74              |
| Spring the More It   | \$10.12                        | \$24.42              | \$38.08              | \$57.22              | \$83.84              | \$218.14               | \$9.90             | \$22.88             | \$28.28              |
| <b>Term Commitment Plans<sup>4</sup></b>                                       |                                |                      |                      |                      |                      |                        |                    |                     |                      |
| Monthly SmartWeek Basic w/Discount<br>based on a 12 month commitment           | \$7.81                         | \$18.20              | \$27.38              | \$52.78              | \$87.18              | \$248.43               | \$7.44             | \$17.07             | \$26.75              |
| Spring Series with Cash Back<br>based on a one year commitment                 | \$7.40                         | \$18.33              | \$28.18              | \$48.93              | \$83.39              | \$238.78               | \$8.20             | \$18.90             | \$28.82              |
| <b>Loyalty/Reward Plans<sup>4</sup></b>  |                                |                      |                      |                      |                      |                        |                    |                     |                      |
| AT&T True Savings w/True Rewards<br>based on points awarded for free minutes   | \$7.59                         | \$18.08              | \$28.28              | \$51.33              | \$82.01              | \$238.08               | \$8.90             | \$17.88             | \$27.18              |
| AT&T True Savings w/True Rewards<br>based on points awarded for free minutes   | \$8.11                         | \$21.38              | \$27.83              | \$52.05              | \$84.04              | \$239.79               | \$8.90             | \$20.57             | \$27.10              |
| MTS Friends & Family w/MTS Rewards<br>based on points awarded for free minutes | \$8.90                         | \$21.37              | \$27.82              | \$51.43              | \$84.28              | \$238.50               | \$8.88             | \$20.11             | \$28.04              |

## FOOTNOTES

"Average Daily Use," "Heavy Day Use," and "Heavy Night and Weekend Use" are each calculated to contain short, medium, and far intrastate long distance calls. The primary difference between the three calling groups is the proportion of total calls made during specific times of day. It is important to note that each carrier's definitions for day, night, and weekend for peak and off-peak are different. This may change the distribution for each carrier. See plan descriptions (pp. 6-8) and time periods (p. 10) for each carrier. For the purposes of this chart, all sample calls were defined as follows: "Day" = Monday, 10am; "Evening" = Wednesday, 8pm-8pm; "Night/Weekend" = Sunday, 1pm-11pm.

Each basket includes a sampling of calling card and long distance directory assistance calls. All rates are for direct-dialed calls.

1. "Average Daily Use" consists of approximately 25% of calls made during the day, 45% in the evening and 30% made during night/weekend hours.
2. "Heavy Day Use" consists of approximately 50% of calls made during the day, 20% made during the evening, and 30% made during the night/weekend hours.
3. "Heavy Night and Weekend Use" consists of approximately 5% of calls made during the day, 25% made during the evening, and 70% made during the night/weekend hours.
4. "Standard Rates" are the basic phone plans offered by carriers. Many discount plans are calculated from these rates.

| DAY USE  |          |           | HEAVY NIGHT AND WEEKEND USE |          |          |          |          |           | PLANS                                   |
|----------|----------|-----------|-----------------------------|----------|----------|----------|----------|-----------|---|
| 30 calls | 60 calls | 120 calls | 0 calls                     | 12 calls | 18 calls | 30 calls | 60 calls | 120 calls |   |
| 250 min. | 400 min. | 1200 min. | 0 min.                      | 121 min. | 179 min. | 289 min. | 589 min. | 1419 min. |   |
| \$89.88  | \$113.04 | \$320.74  | \$10.67                     | \$23.48  | \$38.88  | \$70.17  | \$114.82 | \$328.35  | AT&T Day-1 Standard                     |
| \$71.41  | \$113.48 | \$318.25  | \$11.43                     | \$22.57  | \$37.50  | \$68.08  | \$111.08 | \$308.29  | Premier Day-1                           |
| \$85.98  | \$108.99 | \$314.83  | \$10.67                     | \$22.58  | \$34.38  | \$67.05  | \$110.88 | \$322.08  | LCI Basic                               |
| \$61.79  | \$98.18  | \$251.59  | \$10.29                     | \$22.84  | \$31.77  | \$63.51  | \$104.72 | \$310.34  | LCI WorkWeek Hrs                        |
| \$50.75  | \$88.12  | \$234.97  | \$8.56                      | \$18.34  | \$28.68  | \$53.52  | \$90.47  | \$258.78  | Metrix SmartWorld Basic                 |
| \$69.19  | \$112.48 | \$318.88  | \$10.81                     | \$23.15  | \$38.46  | \$69.78  | \$113.98 | \$334.70  | Metrix SmartWorld                       |
| \$89.88  | \$113.04 | \$320.74  | \$10.67                     | \$23.48  | \$38.88  | \$70.17  | \$114.82 | \$328.35  | Spring Standard                         |
| \$61.21  | \$101.28 | \$288.24  | \$8.50                      | \$22.08  | \$33.78  | \$55.19  | \$108.82 | \$304.72  | AT&T Baby Case                          |
| \$49.41  | \$90.22  | \$219.30  | \$8.89                      | \$14.45  | \$19.35  | \$47.48  | \$71.83  | \$208.88  | Premier Handover                        |
| \$67.16  | \$77.12  | \$217.97  | \$8.40                      | \$19.88  | \$28.00  | \$53.54  | \$87.83  | \$288.59  | LCI All American Plan                   |
| \$48.23  | \$80.20  | \$219.88  | \$8.80                      | \$14.85  | \$28.80  | \$48.75  | \$76.70  | \$211.08  | LCI WorkWeek Home Advantage             |
| \$48.57  | \$78.77  | \$228.37  | \$8.18                      | \$18.38  | \$28.88  | \$38.88  | \$72.78  | \$208.13  | Metrix SmartWorld Basic                 |
| \$48.58  | \$78.90  | \$228.85  | \$7.84                      | \$14.89  | \$21.34  | \$44.27  | \$71.18  | \$218.53  | Metrix SmartWorld                       |
| \$48.75  | \$73.12  | \$210.73  | N/A                         | N/A      | \$28.08  | \$55.40  | \$89.88  | \$224.34  | Metrix Smart Office Home Office         |
| \$48.90  | \$75.70  | \$218.90  | \$8.90                      | \$21.33  | \$38.88  | \$63.54  | \$105.85 | \$288.71  | Metrix Smart                            |
| \$58.85  | \$92.40  | \$283.60  | \$8.25                      | \$14.45  | \$25.80  | \$51.90  | \$83.35  | \$233.80  | Spring Sense                            |
| \$54.32  | \$89.17  | \$288.59  | \$12.22                     | \$22.72  | \$33.10  | \$58.08  | \$92.44  | \$258.22  | AT&T Anytime Plus                       |
| \$50.87  | \$82.54  | \$228.44  | \$8.00                      | \$18.38  | \$28.08  | \$63.85  | \$88.33  | \$238.99  | AT&T True Savings                       |
| \$51.98  | \$84.45  | \$238.98  | \$8.60                      | \$21.13  | \$27.50  | \$52.43  | \$85.98  | \$249.04  | Not open to new customers               |
| \$62.83  | \$84.04  | \$238.58  | \$9.38                      | \$28.88  | \$27.58  | \$63.78  | \$88.10  | \$240.30  | AT&T True Reach Savings                 |
| \$81.87  | \$83.88  | \$374.47  | \$8.89                      | \$18.03  | \$25.17  | \$33.81  | \$84.83  | \$281.01  | LCI Friends & Family                    |
| \$98.28  | \$88.27  | \$310.14  | \$10.87                     | \$23.48  | \$28.71  | \$58.71  | \$81.87  | \$213.93  | LCI Friends & Family Free               |
|          |          |           |                             |          |          |          |          |           | Spring the More It                      |
| \$81.83  | \$84.15  | \$258.59  | \$8.02                      | \$17.36  | \$27.28  | \$52.45  | \$83.15  | \$244.35  | Metrix SmartWorld Basic w/Discounts     |
| \$92.78  | \$83.16  | \$258.04  | \$8.25                      | \$18.45  | \$28.23  | \$48.71  | \$75.02  | \$208.70  | Based on a 6 month commitment           |
|          |          |           |                             |          |          |          |          |           | Metrix Smart World Cash Back            |
|          |          |           |                             |          |          |          |          |           | Based on a one year commitment          |
| \$48.86  | \$79.24  | \$219.50  | \$8.00                      | \$18.38  | \$29.02  | \$48.84  | \$79.99  | \$227.43  | AT&T True Savings w/True Rewards        |
| \$50.53  | \$81.07  | \$230.88  | \$9.60                      | \$21.13  | \$27.50  | \$51.87  | \$82.33  | \$218.08  | Based on points earned for free minutes |
| \$50.80  | \$80.81  | \$228.43  | \$8.36                      | \$20.95  | \$27.53  | \$51.71  | \$82.79  | \$231.07  | AT&T True Savings w/True Rewards        |
|          |          |           |                             |          |          |          |          |           | Based on points earned for free minutes |
|          |          |           |                             |          |          |          |          |           | LCI Friends & Family w/True Rewards     |
|          |          |           |                             |          |          |          |          |           | Based on points earned for free minutes |

5. "Flat-Rate Plans" are calculated at a flat rate per minute, regardless of the distance of the call. Rates may vary based on the time of day you call. Check the "Plan Description" for more information about each plan.
6. Under "Discount Plans Based on Consumer Calling Patterns," customers receive discounts from standard rates based on factors such as total volume of calls, number of calls to a specified geographic area, and number of calls to other consumers using the same long distance carrier.
7. Under "Term Commitment Plans," rates are based on additional discounts or rebates the customer receives after staying with the plan for a specific period of time or after spending a specific amount of money. See "Plan Description" for details.
8. Under "Loyalty/Reward Plans," rates have been adjusted downward by the carrier to reflect the use of "points" earned by customers through calling volume and other means, and redeemed for discounted or free services. AT&T, MCI, and Sprint each offer programs to earn reward "points" granted based on the amount of telephone usage. The "points" can be redeemed for "rewards" which include discounts on goods and services or on long distance rates. The rates shown in the chart assume a percentage of points applied to the long distance service. If you do not redeem the points, or if you choose to redeem them for other goods, your rates will be different.

# Features and Services Comparison Chart

| FEATURES AND SERVICES <sup>1</sup>   | AT&T  | Frontier  | LCI  |
|--|---|---|--|
| Leading Plans  | AT&T True Reach Savings   | Frontier HomeSaver  | LCI All American   |
| Toll Free #s for Account/<br>Customer Service Info.  | 1-800-222-0300 OR<br>1-800-235-0900 (Spanish)   | 1-800-783-2020  | 1-800-860-2255   |
| Equal Access Code <sup>2</sup>   | 10228   | 10444   | 10432  |
| Equal Access Code<br>Dialing Method <sup>2</sup>   | Casual/same rates   | Casual/same rates,<br>no volume discount  | Casual/different rates   |
| Long Distance Directory<br>Assistance Charge   | \$0.95 per call,<br>or dial 1-900-555-1212 for two<br>choices at \$0.75 per call  | \$0.95 per call   | \$0.95 per call  |
| Exception from long distance dir.<br>assistance for consumers unable to<br>use the phone book due to<br>disability | Yes, with medical documentation   | Yes, with medical documentation   | No   |
| Calling Card Availability  | AT&T Calling Card:<br>Call 1-800-CALL-ATT<br>from any phone in U.S.   | Spectrum Card & Frontier ACCESS:<br>Six-second billing, rates based on<br>distance. Peak hours are M-F, 8am-<br>6pm, with 800 service from any phone<br>in U.S. Spectrum has lower rates.<br>Access has no surcharge. | World Card Plus: 800 service<br>from any phone in U.S. Rates are<br>\$0.25 M-F 8am-5pm and \$0.18<br>all other times. Six-second<br>billing. |
| Calling Card Surcharge   | \$0.80 per call   | Spectrum: \$0.69 Access: None   | \$0.45 per call  |
| Credit Card Payments   | MasterCard, AmEx, Discover Club   | Visa, MasterCard, AmEx,<br>Discover   | None   |
| How to Credit Wrong #s   | 1-800-222-0300  | 1-800-783-2020  | 1-800-860-2255   |
| How to Casual Service  | 1-800-222-0300  | 1-800-783-2020  | 1-800-860-2255   |
| 950 Access Service <sup>3</sup>  | 950-1288  | 950-1044  | 950-1432   |
| Cust. Service with TTY <sup>4</sup>  | Yes, 1-800-813-3232   | Yes, 1-800-730-2326   | Yes, 1-800-860-0078  |
| TTY Discounts <sup>4</sup>   | Yes   | No  | No   |
| Residential 800# and<br>Monthly Charge   | True Flex (available with True Reach<br>Savings, True Reach and True USA)<br>has no monthly charge and a flat rate<br>of \$0.22 peak/\$0.18 off-peak for<br>in-state calls. (Interstate rates are<br>\$0.22 1/3 peak, \$0.17 1/3 off-peak.) | Home Connect: \$0.99 per month,<br>Toll-free with 10 PINs. Flat rate of<br>\$0.24 peak (8am-5pm, M-F) and<br>\$0.19 off-peak.   | LCI Home 800 has no monthly<br>charge. Rates are \$0.25 at all<br>times. Six digit security PIN is<br>included.                              |
| Incremental Billing <sup>4</sup>   | No  | Yes   | Yes  |
| Internet Access Services <sup>5</sup>  | Yes, AT&T WorldNet,<br>Call 1-800-WORLONET  | No  | No   |
| Cellular Long Distance <sup>6</sup>  | Yes, 80% of the U.S.  | Most Major Markets  | Yes  |
| Paging Services <sup>7</sup>   | Yes, AT&T Wireless Services   | Yes, TravelReach Paging Service   | No   |

## Helpful Tips to Remember

1. Rates can change. Before you make a final decision, verify the company's rates and services by calling its toll-free number listed above. Also check in-state and international rates.

2. Equal Access Codes are numbers dialed to use a carrier if it is not your primary carrier. Dial the access code, then 1, then the area code and number. Find out if there are access charges or other fees.

3. Casual calling allows you to use equal access codes without opening an account with a carrier. You will be billed for these calls through your local telephone company.

| <b>LDDS WorldCom</b>  | <b>Matrix</b>   | <b>MCI</b>  | <b>Sprint</b>  |
|---|---|---|--|
| Home Advantage  | SmartWorld, SOHO  | MCI Friends and Family,<br>MCI One  | Sprint Sense   |
| 1-800-275-0100  | 1-800-282-0242 OR<br>1-800-890-0323 (Spanish)   | 1-800-444-3333 OR<br>1-800-910-HOLA (Spanish)   | 1-800-746-3767 OR<br>1-800-877-0230 (Spanish)  |
| Varies  | 10780   | 10222   | 10933  |
| Casual/short rates,<br>no volume discounts  | Casual/short billing on<br>international calls  | Casual/short rates,<br>no volume discounts  | Casual/short rates   |
| \$0.64 per call   | SmartWorld: \$0.75 per call<br>SOHO: \$0.63 per call  | \$0.95 per call   | \$0.95 per call  |
| Yes, with medical documentation   | Yes   | Depends on situation:<br>Call 1-800-833-2988  | Yes  |
| 800 service from anywhere in<br>U.S. Rate is \$0.30 per minute.                           | 800 service from any phone<br>in U.S. Toll free access<br>from over 60 countries.<br>Rates depend on plan.  | MCI Card: 950/800 service from<br>any phone in the U.S.   | FONCARD: 800 service from<br>any phone in U.S.   |
| None  | Depends on Plan:<br>\$0.25 - \$0.75 per call  | \$0.79 per call   | FONCARD: \$0.80<br>Sprint Sense FONCARD: none  |
| Visa, MasterCard, AmEx  | Visa, MasterCard, AmEx,<br>Discover   | Visa, MasterCard, AmEx,<br>Discover   | Visa, MasterCard, Discover   |
| 1-800-275-0100  | 1-800-282-0242  | 1-800-444-3333  | 1-800-877-4644 or dial "00" for<br>immediate assistance  |
| 1-800-275-0100  | 1-800-282-0242  | 1-800-444-3333  | 1-800-877-4646   |
| N/A   | N/A   | N/A   | N/A  |
| Yes, 1-800-275-2244   | Yes, 1-800-354-3315   | Yes, 1-800-333-0100   | Yes, 1-800-733-2988  |
| Only on MCI's Service   | Free directory assistance   | Yes, 33% off all domestic calls   | Yes  |
| 800# has no monthly charge or<br>set-up fee. Rates are \$0.20 per<br>minute at all times. | SOHO 800: \$5.00 monthly fee<br>and no minimum. Rates are<br>\$0.24 1/2 per minute. 800 Plan<br>8503: \$15.00 monthly min.<br>Rates are \$0.25 per minute | The Personal 800 Plan carries a<br>\$2.00 monthly fee. Rates are<br>\$0.25 per minute at all times. | \$3.00 per month (waived at<br>\$20.00 usage). Flat rate of<br>\$0.25 Peak (M-F 7am-7pm) and<br>\$0.10 Off-Peak. |
| No  | On SOHO Plan  | No  | No   |
| Yes, Nations.<br>Call 1-800-243-8000  | Available 1st Quarter of 1997   | Yes, Internet MCI.<br>Call 1-800-550-0927   | No   |
| Yes   | No  | Yes   | Yes  |
| Yes   | Yes, available for lease or<br>purchase   | Yes   | Yes  |

4. 950 Service is a toll-free access number used to reach your company if you are away from home or not in an equal access area. These calls can also be made from payphones without the use of a coin.

5. TTY (Teletype) is a telecommunications device for the deaf that displays coded symbols through a wire or radio communications system.

6. Incremental billing is a process by which carriers bill in increments of seconds, rather than rounding up to the nearest minute.

7. Many carriers are now offering a number of new features including cellular long distance, paging, and Internet services. Look for special offers or discounted packages.

## Standard Rate Plans

**AT&T Dial-1** service enables customers to call anywhere in the U.S. and to over 280 countries. 24-hour customer service for billing and service inquiries is available in 140 languages. AT&T provides collect, person-to-person and billed to third party calls, directory assistance, dialing information, rate quotes, busy-line verification/interrupt, and immediate credit for misdialled calls. The same services are also provided for users of text telephones. AT&T has three calling periods for domestic calls: day, evening, and night/weekend. Evening rates are, on average, 38% less than day calls; night/weekend prices are about 48% less than day calls. AT&T provides discounts on 10 holidays. When away from home, callers can dial 1-800-CALL-ATT to have their calls placed on the AT&T network.

**Frontier Dial-1** provides direct-dial service to anywhere in the U.S. and over 220 countries. Dial-1 features three calling periods (see p. 10). Interstate calls made between 5 and 7pm Monday-Friday have a discount of 13% off day rates. Evening rates (calls made after 7pm, Monday-Friday, and all day Saturday and Sunday) also receive volume discounts. There is no minimum spending level. Other features include a calling card with six-second rounding and no surcharge, optional international calling plans, cellular service with no contract required, and a residential 800 number with flat rate billing. All services are billed on one monthly invoice. Frontier is supported by a 100% digital network and 24-hour customer service. Dial-1 is no longer available to consumers.

**LCI Basic** residential calling rates apply only to "casual" callers who have not directly contacted LCI to become a customer (i.e., they have dialed the five-digit access code, or have subscribed to LCI through the local phone company). Callers who subscribe directly with LCI are automatically placed on the All America Plan<sup>SM</sup>, a flat-rate plan featured below. Once identified, and with customer permission, LCI places "casual" callers on the All America Plan<sup>SM</sup>. The calling card offers international origination from over 75 countries.

**LDOS WorldCom MTS** rates only apply to "casual" calling. All other LDOS WorldCom customers are placed on Home Advantage, a flat rate calling plan. Customers can call across their city, throughout their state, or coast-to-coast, as well as to more than 230 countries. LDOS offers 24-hour, bilingual operators to assist customers with placing calls, setting-up conference calls, and with other LDOS services.

**MATRIX SmartWorld<sup>SM</sup> Basic** is a residential calling plan that provides automatic discounts on all direct-dialed, long distance calls to anywhere in the U.S. and to more than 220 countries. These discounts are available with no monthly charges, sign-up fees, minimum billing requirements, or calling circles. SmartWorld<sup>SM</sup> Basic customers also receive an additional 5% discount on all usage starting in the 7th month of service. Features include 24 hour Matrix Customer Service, residential 800 service, and a free Matrix Calling Card for away-from-home calling. Billing is rendered via the local telephone company.

**MCI Dial-1** provides direct-dialed long distance service to and from anywhere in the U.S., and to over 250 countries. MCI has three calling periods: day, evening, and night/weekend. 24-hour customer service is available for billing issues, services, and other inquiries. MCI operators are also available at all times for assistance with domestic and international collect calls, person-to-person and third-party billing, rate quotes, credits, and domestic and international dialing information. Operator and customer service is available in 10 languages. Dial-1 may be used with MCI's Friends & Family.

**Sprint Standard** provides 1-plus dialing to anywhere in the U.S. and to more than 280 countries and locations around the world. Sprint has three time periods for domestic calling: day, evening and night/weekend. Sprint offers 24-hour, multilingual customer service. Customer service representatives can provide immediate assistance with call credits, billing or account balance information, rate quotes, service availability and other matters. Sprint operators are also available for any special calling needs, including dialing assistance, general information, collect and third party billing, busy line verification and emergency interrupt. Sprint's FONCARD and Voice FONCARD are available for away-from-home calling, including features such as message delivery and international access for calling from abroad to the U.S. or other countries.



## Flat Rate Plans

**AT&T Stay Close** offers customers 20 minutes of direct-dialed, state-to-state calls any time of day for \$3.00 per month. Additional minutes are \$0.25 during peak times (M-F, 8am - 5pm) and \$0.15 at all other times. This plan can be combined with AT&T True Rewards. To sign up for this plan, call 1-800-895-7770.

**Frontier HomeSAVER** offers customers two calling periods: off-peak and peak. Out-of-state calls made after 5pm weekdays, and all day on Saturdays, Sundays and Holidays (off-peak) are \$0.10 per minute. Calls made M-F, 8am - 5pm (peak) are billed at \$0.22 per minute. All calls are billed in six-second increments, and there are no minimum spending levels required. Other features include a flat-rate 800 number, a flat-rate calling card with no surcharges, an optional calling plan for international callers, and cellular service with no contract required. All Frontier services are billed together on one monthly invoice.

**LCI All America Plan** features flat rates which vary by time of day, and six-second incremental billing. LCI customers pay no sign-up or monthly fees, and have no monthly minimum requirements. Other features include World Card Plus, a flat-rate calling card with incremental billing, and a \$0.45 per-call surcharge and a flat-rate home 800 number with no monthly charges.

**LDS WorldCom Home Advantage** offers residential customers direct-dial calling anywhere in the U.S., and to over 220 countries. The plan offers flat-rate pricing with two rate periods (peak at \$0.20 and off-peak at \$0.10). This service may be combined with the Talk Around calling card, which offers domestic calling with no surcharges.

**MATRIX 50N Flat Rate** features no monthly charges, minimum usage requirements, or other additional charges. All interstate calls offer flat-rate pricing and two rate periods, with reduced off-peak rates. Discounted rates are also automatically available for all in-state and international calls. This service may be combined with the Matrix Calling Card. Billing is rendered via the local telephone company.

**MATRIX SmartWorld™** offers residential customers a calling plan with no monthly charges, minimum usage requirements, or other additional charges. All calls offer flat-rate pricing and two rate periods with reduced off-peak rates. Discounted rates are also automatically available for all in-state and international calls. This service may be combined with the Matrix SmartWorld™ Calling Card which offers calling from anywhere in the U.S. and from more than 60 countries to the rest of the world. Matrix Customer Service is available 24 hours a day for billing questions, rate quotes, call-credit, and other inquiries. Billing is rendered via the local telephone company.

**MATRIX Small Office/Home Office (SOHO)** gives customers access to long distance programs for business, even if they work from a small office or from home. Customers receive the same price on their long distance service regardless of whether the local telephone company recognizes the line as business or residential. The SOHO product line includes SOHO 1+, SOHO Fax, SOHO 800, and the SOHO Card for calling while away from the home or office. The SOHO product line offers flat-rate pricing with peak and off-peak calling times for all domestic calls and six-second billing increments. For customers with a dedicated fax line, SOHO Fax offers a reduced first-minute rate. Billing is rendered via the local telephone company.

**MCI Minutes** offers customers a flat rate of \$0.15 per minute at all times, for all direct-dialed long distance calls in the U.S., Puerto Rico and the U.S. Virgin Islands. Card calls are \$0.25 per minute with a \$0.75 surcharge per call. MCI automatically provides customers with an 800 number with a \$0.25 per minute rate.

**Sprint Sense** offers customers flat-rate pricing and two calling periods - off-peak and peak. In addition, Sprint offers its Cash Back program, which is featured under "Commitment Plans." Out-of-state calls made after 7pm and all weekend long (off-peak) are \$0.10 a minute. Calls made from 7am to 7pm on weekdays are charged as peak at \$0.25 per minute. In addition to Dial-1 service, Sprint provides the Sprint Sense FONCARD which offers a flat \$0.25 per minute rate anytime, anywhere in the U.S., with no per-call surcharge.

## Discount Plans Based on Consumer Calling Patterns

**AT&T AnyHour** includes one hour of state-to-state, direct-dial calls any time of the day for \$11.50. Additional minutes during peak times (8 am - 5 pm, Monday - Friday) are \$0.22 and \$0.12 at all other times. AnyHour may provide savings to those who make at least one hour of daytime calls per month and who make calls between 5pm and 7 pm on weekdays. There is also a 5% discount on any international or in-state long distance calls not discounted by another plan. This plan can be combined with True Rewards.

**AT&T True Savings™** offers discounts of 25% off direct dialed, AT&T Calling Card, and operator handled calls to anyone in the U.S. in the months in which subscribers spend between \$10 and \$50 in qualifying AT&T calls. Subscribers spending \$50 or more save 30% off all long distance calls. True Savings can be combined with True Rewards, and there are no monthly fees.

**AT&T True Reach Savings™** guarantees savings of 25% on all long distance calls when subscribers spend at least \$25.00 per month. Those spending between \$10.00 and \$24.99 per month save 10% on their bill. The True Reach plan requires a minimum spending level of \$10.00 per month in order to receive discounts. Direct dial, AT&T calling card, operator handled, cellular long distance, fax and modem calls all contribute toward achieving a discount level. This plan can be combined with True Rewards.

**MCI Friends and Family** offers automatic discounts based on monthly spending. Customers spending between \$9.50 and \$24.49 receive an automatic 10% discount on calls placed to all non-MCI customers and an automatic 20% discount to all MCI customers for calls within the U.S. Customers spending \$24.50 or greater receive an automatic 25% discount on calls placed to all non-MCI customers and an automatic 35% discount to all MCI customers for calls within the U.S.

**MCI Friends and Family Free** offers customers who spend \$10.00 or more up to an hour of free calls to other residential MCI customers every month. After the first hour, customers continue to save 50% on all their MCI to MCI calls. All other calls are at MCI's basic rates. Customers also save 50% on all MCI card calls home.

**Sprint The Most II** offers volume discounts to customers spending \$30.00 or more per month in long distance calling, and has no monthly fee. The following discounts apply to all domestic calls: 20% when customer spends \$30.00 - \$74.99; 30% when customer spends \$75.00 - 149.99; 35% when customer spends at least \$150.00. In-state, state-to-state, international, FONCARD, Voice FONCARD and operator assisted calls all contribute toward achieving

## Term Commitment Plans

**MATRIX SmartWorld Basic with Discount** provides an automatic 5% discount to its SmartWorld Basic customers, starting in the seventh month of service. For more information about this plan, look under "Standard Rate Plans."

**Sprint Sense with Cash Back** is a permanent plan which pays subscribers to Sprint Sense 10% Cash Back on their entire long distance phone bill. The plan applies to all domestic and international usage including Dial-1, FONCARD, operator charges and directory assistance fees. Customers must stay with Sprint for one year to redeem, but the Cash Back begins accumulating as soon as service begins. Customers are notified of their Cash Back balance on their monthly bill, and once the award is redeemed (\$25.00 minimum), the cycle begins again.

## Loyalty/Reward Plans

**AT&T True Rewards** provides customers with a Member Benefit Card that offers automatic discounts and bonuses to over 30 retailers. In addition, customers spending \$50.00 or more on long distance can earn True Rewards points that can be redeemed for a variety of products and services provided by AT&T. To learn more about this program, call 1-800-REWARD.

**MCI Extras™** is MCI's customer appreciation program which is available to all MCI customers, regardless of their calling plans. Customers earn 10 MCI Points for every dollar (net of taxes and credits) spent on MCI products and services. Customers are eligible to earn points if their monthly invoice is \$50 or more. MCI Points can be redeemed (in 1,300 point increments) for cash and long distance certificates. All other merchandise, travel rewards, retail gift certificates, etc. are redeemable in 1,000 point increments.

## Top Ways to Save on Your Long Distance Bill

**Get off of Standard Rate Plans.** More than half of long distance users are still paying standard rates. Even small users can save money by switching to a discount plan.

**Think About When You Call.** Choose the calling plan that offers discounts during your heaviest calling hours. Different plans feature different calling time periods.

**Call at the Cheapest Times.** Try to make most of your calls during the night/weekend or off-peak hours. Refer to the chart on the next page for a break-down of the carriers peak/off-peak hours.

## Consumer Alert: Read the Fine Print

There are many new long distance companies that are promoting low rates through direct mail and telemarketing. Many sound too good to be true and, in fact, are. If you read the fine print, you may find that there are monthly access charges and monthly minimums required for such low rates. TRAC has also come across a number of companies that require a minimum duration per call. For example, one brochure's fine print read that there was a 3-minute minimum on all calls. Callers that make a one-minute call under such a plan are actually being charged for three minutes. These charges and fees can add up and only the high-end long distance user will save money under these calling plans.

## Pre-Paid Calling Cards

Pre-paid calling cards have become a recent trend in the U.S., but are they good for the consumer? The cards are being sold everywhere from the Internet to the convenience store. The card is essentially a debit card which you buy for a specific amount of money and is good for a specific amount of minutes. The major benefit of using a debit card is the price. These cards do not have a surcharge like most other calling cards. However, consumers should realize that the per-minute rates are usually higher than other calling cards and calls you would make from home. Debit cards are most economical for consumers who tend to make short calls away from home.

Consumers should consider the following before purchasing a pre-paid calling card:

- What is the actual cost per-minute?
- Where can I call to and from? Not all cards allow you to call internationally or may be good only for calls outside of your own state.
- Is there a sign-up or activation fee?
- How reputable is the company? Many companies have recently gone out of business leaving their customers with unused minutes and without being reimbursed by the defunct company.

## Time Periods

After the breakup of Ma Bell, the long distance industry set a standard for what they considered to be day, evening, and night/weekend time periods. However, this is no longer the case for many companies and calling plans. Time periods now range from plan to plan. Carriers now use different ways to identify when they offer their lowest rates. For most companies, this will be in the "night/weekend time" period. For others it may be in their "off-peak" time period. Becoming familiar with your calling plan's time periods, is an easy step toward saving money. If you are unsure, use the chart on the following page or call your carrier's toll free customer service number.

| Company  | Calling Plans                                | Calling Time Periods                           |   |   |
|----------|--|--|---|---|
| AT&T     | Dial-1, True Reach, True Savings, AnyHour    | Days: M-F, 8am-5pm*                            | Eve: Sun-F, 5pm-12am*                       | N/W: All other times                    |
| Frontier | HomeSaver                                    | Peak: M-F, 8am-5pm*                            | Off-Peak: All other times                   |   |
|          | Dial-1 (no longer offered)                   | Days: M-F, 7am-5pm*<br>(13% discounts, 9-7pm*) | Eve: M-F, 7pm-11pm* &<br>Sat-Sun, 5pm-11pm* | N/W: all other times                    |
| LCI      | LCI Basic, All-Americas                      | Days: M-F, 8am-5pm*                            | Eve: Sun-Th, 5pm-11pm*                      | N/W: all other times                    |
| LDDS     | WorldCom MTS, WorldCom Home Advantage        | Peak: M-F, 8am-5pm*                            | Off-Peak: All other times                   |   |
| Matrix   | SmartWorld Basic, SmartWorld, 8080           | Peak: M-F, 7am-7pm*                            | Off-Peak: All other times                   |   |
|          | SDN, Dial-1                                  | Days: M-F, 8am-5pm*                            | Eve: M-F, 5pm-11pm*                         | N/W: M-F, 11pm-1am* & Weekends          |
| MCI      | Dial-1, Friends & Family, F&F Free           | Days: M-F, 8am-5pm*                            | Eve: Sun-F, 5pm-11pm*                       | N/W: All other times                    |
|          | MCI Minutes                                  | Flat rate: 24 hours, 7 days per week           |   |   |
| Sprint   | Sprint Standard                              | Days: M-F, 8am-5pm*                            | Eve: M-F & Sun, 5pm-11pm*                   | N/W: Sun-Fri, 11pm-1am*, & all day Sat. |
|          | Sprint Sense, SS with Cash Back, The Month 2 | Peak: M-F, 7am-7pm*<br>(In CA, M-F, 5am-5pm)   | Off-Peak: All other times                   |   |

\* To, but not including

**ABOUT TRAC**

TRAC is a non-profit, tax-exempt membership organization based in Washington, D.C. Its primary goal is to promote the interests of residential telephone consumers. TRAC's objectives include:

- Representing residential telephone consumers in all matters relating to telecommunications issues and policies.
- Providing Tele-Tips Residential and Small Business Long Distance Charts to help consumers make informed decisions regarding their long distance options.
- Being governed by a Board of Directors comprised of prominent leaders in the consumer, religious and civil rights movements.

To order a single copy of either the *Tele-Tips Residential Long Distance Comparison Chart* or the *Tele-Tips Small Business Long Distance Comparison Chart*, please send a check or money order for \$5.00 per chart to the address below, along with a self-addressed, stamped envelope.

## TRAC MEMBERSHIP APPLICATION

**YES!** I want to join TRAC in order to keep my telephone service affordable. Members receive two residential and two business issues of Tele-Tips per year, and the cost of joining is tax-deductible. Other publications and updates may also be sent periodically.

| MEMBERSHIP TYPES        | 1-YEAR | 2-YEARS |
|-------------------------|--------|---------|
| INDIVIDUAL              | \$25   | \$40    |
| BUSINESS OR ASSOCIATION | \$50   | \$80    |
| STUDENT                 | \$10   | \$18    |
| SUSTAINING              | \$250  |         |
| OTHER CONTRIBUTION      | \$     |         |

NAME OR ORGANIZATION \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**TRAC - P.O. Box 27279  
 Washington, DC 20005**

# TELE-TIPS™ Addendum

(As of October 30, 1986)

## Residential Long Distance Comparison Chart

Since the September 1986 printing of Tele-Tips™, some of the long distance carriers on our chart have introduced new plans while others have modified existing ones. In our continuing effort to keep consumers abreast of rate and service changes in the long distance telephone market, we have created this addendum to reflect such changes. Because calling plans are constantly changing, we urge you to contact your long distance telephone carrier every few months to be sure you are aware of any changes in billing or service.

The information below concerns the new flat-rate plans which have been announced by AT&T, MCI and Sprint. Remember to consider these plans in the context of the larger Tele-Tips™ chart by first assessing your personal calling patterns, and then by weighing the features and services which are most important to you.

| AVERAGE DAILY USE |           |         |          |          |          |           |
|-------------------|-----------|---------|----------|----------|----------|-----------|
| Carrier           | Plan      | Local   | Long     | Int'l    | Weekend  | Monthly   |
| AT&T One          | Flat Rate | \$ 8.40 | \$ 18.70 | \$ 30.25 | \$ 57.80 | \$ 285.00 |
| AT&T One          | Flat Rate | \$ 8.40 | \$ 18.70 | \$ 30.25 | \$ 55.58 | \$ 248.80 |
| MCI True          | Flat Rate | \$ 8.10 | \$ 19.16 | \$ 28.44 | \$ 56.70 | \$ 258.24 |

| HEAVY DAILY USE |           |         |          |          |          |           |
|-----------------|-----------|---------|----------|----------|----------|-----------|
| Carrier         | Plan      | Local   | Long     | Int'l    | Weekend  | Monthly   |
| AT&T One        | Flat Rate | \$ 6.80 | \$ 18.70 | \$ 25.75 | \$ 49.35 | \$ 219.25 |
| AT&T One        | Flat Rate | \$ 6.80 | \$ 18.70 | \$ 25.75 | \$ 49.35 | \$ 201.71 |
| MCI True        | Flat Rate | \$ 6.66 | \$ 18.28 | \$ 25.12 | \$ 48.06 | \$ 212.28 |

| HEAVY WEEKEND USE |           |         |          |          |          |           |
|-------------------|-----------|---------|----------|----------|----------|-----------|
| Carrier           | Plan      | Local   | Long     | Int'l    | Weekend  | Monthly   |
| AT&T One          | Flat Rate | \$ 9.90 | \$ 21.20 | \$ 27.50 | \$ 65.85 | \$ 289.75 |
| AT&T One          | Flat Rate | \$ 9.90 | \$ 21.20 | \$ 27.52 | \$ 63.22 | \$ 274.85 |
| MCI True          | Flat Rate | \$ 9.54 | \$ 20.34 | \$ 33.10 | \$ 62.88 | \$ 288.84 |

Footnotes: 1,2,3 - See page 2 of September 1986 Tele-Tips™

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TO: **EXECUTIVE DIRECTOR**  
**V.R. - LEGISLATIVE AFFAIRS**  
OTHERS: **PUBLIC AFFAIRS**



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Bell Atlantic said employees in Pa., Va. and W.Va. were back at work Fri. after massive one-day sick-out that forced delays in some installations, especially in Philadelphia and Pittsburgh. Company accused CWA of organizing sick calls, which union officials denied (CD Sept 1 p1). Negotiators met briefly Fri., then recessed for Labor Day weekend without making progress. Contract expired Aug. 5, hasn't been extended.

MCI and BT-N. America (BTNA) opposed Sprint's \$4-billion European alliance Fri. on ground that French and German partners would discriminate against other carriers. Both companies urged FCC to reject venture, in which France Telecom (FT) and Deutsche Telekom (DT) would acquire 20% of Sprint, until German and French markets open. "The deal would deeply intertwine the overall business interests of these entities and encourage them to favor each other," BTNA Pres. James Graf said. Company, which has global joint venture called Concert with MCI, said in comments that transactions don't request DT or FT to avoid discriminating in favor of Sprint. "The Commission should not yield to pressure to approve the transaction hastily, putting off the application of a strong, consistent international competition policy until another day and another venture," BTNA said. MCI Senior Vp-Regulatory Affairs James Lewis said: "Allowing foreign monopolists preferential access to the U.S. market, which is open to full competition, while they retain dominance in their home markets will continue high prices for American consumers and at the same time place American businesses at a disadvantage in the global marketplace." AT&T filed 46-page comment with 31-page appendix opposing alliances as anticompetitive. Company said delay won't harm Sprint: "Sprint's record earnings in the first half of this year establish that it does not need FT's and DT's investment in order to be successful."

Sprint and AT&T said latest revision of MCI discount plan showed company was raising rates for all customers by trimming level of discounts in popular "Friends & Family" service. "It appears they're giving with one hand and taking away with the other," AT&T spokesman James McGann said. Sprint spokeswoman Juanada Teas said MCI was adding to confusion by juggling rates and "calling circles." MCI changes follow within 10 days AT&T move in discounts, cutting level of discount but expanding benefits to more services, and Sprint addition of 10% payback at end of year for Sprint Sense customers. MCI launched new commercial campaign featuring Whoopi Goldberg to promote rates, which otherwise weren't announced. Company said new plan sets discounts at 20% if call volume is \$10-\$25 per month, 35% for more than \$25, and eliminates "calling circles" that provided 50% discounts for MCI customers dialing specific other MCI customers. Now, discounts apply to all calls made to other MCI customers. Automatic discount



of 10% for \$10-\$25 in calls, 25% for more than \$25 per month, applies on any call to non-MCI customers. Official, speaking on condition of anonymity, said changes were to make it simple for customers to understand MCI discounts.

FCC International Bureau has list of countries where international callback service is illegal. Information is available in new public file "International Callback: Foreign Law" at Bureau's public reference room, Room 102, 2000 M St. NW, Washington. Commission in June determined that callback service doesn't violate U.S. law but said carriers can't provide such service to customers in countries that have declared it illegal. To help carriers comply, FCC said it would accept documentation from govts. that want to put carriers on notice that callback is illegal there. List includes China, Columbia, Honduras, Panama, Peru, Poland, Uruguay, Venezuela.

Seemingly technical request by Puerto Rico Telephone Co. (PRTC) and Puerto Rico Communications Corp. (PRCC) to treat payments to govt. there as operating taxes for calculating universal service assistance has elicited opposition from U.S. carriers. AT&T said there's "no legitimate basis for these parties' attempt to treat the entire proceeds of the sale of their corporate affiliate, Telefonica Larga Distancia de Puerto Rico, as an operating tax expense qualifying them for a substantial increase in USF [Universal Service Fund] assistance and interstate access settlements." AT&T said "this blatant attempt to inflate these parties' USF allocation underscores the imperative need for the Commission promptly to implement fundamental reform of its high-cost assistance mechanism." MCI suggested that FCC Common Carrier Bureau clarify that 2 payments "should be compared . . . with the taxes private companies pay to determine what portion of these taxes should be counted as operating taxes." National Exchange Carrier Assn. (NECA) urged agency to act quickly because "NECA has withheld significant USF payments and access charge settlements from PRTC and PRCC pending a Commission ruling." If ruling is favorable, FCC should make it retroactive, NECA said.

FCC extended deadline to Sept. 22 from Sept. 1 for AT&T Alascom to file tariffs for interstate switching and transport service. AT&T asked for extension because it said it only recently acquired Alascom and hadn't had time to assess tariff support information. Agency said: "AT&T Alascom states that because of competitive concerns, [Alascom] did not provide AT&T with access to its tariff information until shortly before the transfer of control was approved by the FCC in early August."

AT&T told U.S. Dist. Court, D.C., that it doesn't oppose Ameritech request for emergency waiver to buy alarm company National Guardian Corp. (CD Aug 24 p5) as long as interexchange services are "narrowly confined." AT&T reminded court that it opposes generic RHC request to provide interLATA information services but said Ameritech's explanation indicates alarm-related services couldn't be transferred to other interexchange services "and instead will be narrowly confined to those that are legitimately and exclusively incidental to the business of alarm monitoring." National Guardian parent LEP Group urged court to allow waiver because LEP can't delay sale. LEP said that if Ameritech can't get waiver by Sept. 25, LEP's "financial condition and commitments to lenders would force it to pursue selling to another party."

FCC comment deadlines: Sept. 8 on Alltel's cost allocation manual, with replies Sept. 18 . . . Sept. 18 on BellSouth request for authorization to resell cellular service without structural separation requirements . . . Sept. 19 for Ameritech cost allocation manual changes to reflect market trial of Pay Phone Message Delivery Service.

Moody's confirmed Aa3 senior debt rating for AT&T Fri. but said company's recent spending on PCS had limited its liquidity and reduced debt capacity for near term. Agency also said troubled Global Information Solutions (GIS) computer unit "must be rationalized to be a meaningful profit contributor." Rating covers about \$15 billion in debt of parent and several financial subsidiaries. Moody's said AT&T's 60% market share for long distance, wireless dominance and equipment manufacturing position "make AT&T a formidable force in the rapidly changing and growing communications business." Moody's placed AT&T under review April 7 for possible downgrade (CD April 10 p4), but ended review with confirmation. It said Aa3 senior debt covers AT&T Corp. senior debt, Capital Corp. and Credit Corp. guaranteed senior debt, NCR guaranteed medium-term notes and AT&T Corp. shelf registration. GIS unit had \$184 million operating loss in 2nd quarter, and company said such performance was unacceptable and is planning to restructure unit (CD Aug 1 p5).

On-line service providers should be held to liability standards as distributors of material, lesser standard than is applied to content providers and editors, Interactive Services Assn. (ISA) said in brief submitted to N.Y. state court in case brought against Prodigy. State Court Judge Stuart Ain ruled in May that Prodigy was subject to libel damages against investment company Stratton Oakmont as result of posting on Prodigy bulletin board because on-line service held itself out as having substantial editorial standards and capabilities. Prodigy has asked for rehearing, and ISA brief supported that motion. ISA said in Aug. 29 brief there's world of difference between having subscriber guidelines and "some measure of control" over bulletin boards and assuming responsibilities of publisher. On-line providers fill several roles, including operating computer system, providing access to other computers or networks, offering original content, developing content with 3rd party, providing bulletin board function. In content development, ISA said, there's opportunity for review of material, but that same opportunity isn't present in bulletin board mode in which volume of messages posted by subscribers is so large and they're posted so quickly it would be "literally impossible for an on-line service provider or a bulletin board operator to review messages prior to posting." Bulletin board function is that of distributor of material, and law has held there's no liability unless company "knows or had reason to know" that material is defamatory, ISA said.

Wireless Technology Research awarded \$185,000 contract to U. of Utah researcher to develop research associated with cellular telephone transmissions. Dr. Om Gandhi, Dept. of Electrical Engineering, will conduct pilot project to determine effects of wireless transmissions.

Indonesian police arrested 6 and seized 12 cellular telephones and intercept equipment in investigation of cellular fraud. Authorities said individuals were part of syndicate that cloned telephones while monitoring signals in crowded areas or busy intersections.

U S West plans to introduce Caller ID service in Tucson and other Southern Ariz. counties beginning in mid-Nov. following state approval of consumer education campaign.

Industry conferences: American Mobile Telecommunications Assn. showcase Oct. 19-20, Orlando -- 202-331-7773 . . . American Public Communications Council Eastern Conference, Oct. 25-27, Nashville -- 800-868-2722.

Nynex filed with N.Y. PSC for 7-year rate freeze as part of previously announced plan to do so in return for incentive regulation that PSC approved last month (CD Aug 2 p7), PSC spokesman said. He said staff will review proposal but hasn't set timetable.

Telecom providers rushed Fri. to meet Cal. PUC Sept. 1 deadline to submit petitions to enter each other's markets. Pacific Bell (PB) and GTE both submitted bids to extend service into other's local toll markets, and other entrants applied to enter incumbents' local exchange markets. PB spokesman said that although PUC rules now ban LECs from entering each other's toll markets, petition asks for authority to provide such service. Teleport Communications Group announced that it filed petition Aug. 31 to become LEC, concentrating on L.A., San Diego and San Francisco where company has competitive access network in place. Teleport said it's hopeful that quick approval will produce agreeable interconnection terms with incumbent LECs.

Teleport Communications Group (TCG) and MFS said they submitted petitions to Tex. PUC to access local exchange markets. TCG said it will target Dallas area, portions of Dallas and Collin counties, Houston's Harris County.

N.C. Utilities Commission ordered WorldCom Network Services to respond by Sept. 27 to staff's recommendation that commission force company to "take appropriate steps" to ensure it doesn't provide intrastate service to uncertified resellers.

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HEADLINE: SPENDING IT;  
Dialing for Dollars, With Competing Flat-Rate Plans

BYLINE: By ROY FURCHGOTT

BODY:

AT&T introduced a flat-rate calling plan last week amid much fanfare. Under the program, customers can make a long-distance call anywhere in the country, at any time of the day, for 15 cents a minute.

Flat-rate plans are not new. MCI Communications, Sprint and a host of smaller long-distance providers have had similar plans for years. And MCI, whose flat rate is nearly identical to AT&T's, responded quickly, filing a request with the Federal Communications Commission on Wednesday to lower its rate to 14.5 cents a minute this week.

"We are not interested in starting a price war," an MCI spokesman, Michael Tierney, said. "We are trying to preserve our position as costing less than AT&T."

Flat-rate plans sound tempting, and they certainly offer a bit of freedom. You don't have to check the time before making a call under most of the plans or worry about the cost of calling across the country. But consumer groups say the plans are a good deal only for a certain type of person: someone who makes most of his calls during the day, when regular rates are often the highest.

"AT&T's flat rate targets small business and heavy daytime callers," said Sam Simon, general counsel of the Telecommunications Research and Action Center, a nonprofit group in Washington that evaluates phone plans.

He said there were better plans for people who make many short-distance, nighttime and weekend calls.

AT&T acknowledges that its new plan may not be the least-expensive available for residential consumers, who typically make most of their calls in the evenings and weekends. "If you are on a savings plan, on average, for all kinds of calling, the cost is 14.5 cents a minute," said Mark Siegel, an AT&T spokesman.

But the flat-rate plans are still popular. J. D. Power & Associates, the market research company, measured consumer satisfaction with long-distance services. Sprint scored first because of its flat-rate Sprint Sense plan, which charges 10 cents a minute during off-peak hours and a daytime rate of 25 cents a

minute.

"There is a very strong perception that Sprint Sense is a good value because of flat pricing and because the bills are so easy to understand," said Zaiba Nanji, the director of telecommunications services at Power. Some consumers may even be willing to pay slightly more because the plans are so simple, Ms. Nanji said.

"For two years it has been our most successful product, bar none, because of the simplicity," said Robin Pence, a spokeswoman for Sprint.

If you want to save money, you'll have to do your homework.

Mr. Simon said that one way to get the lowest rate from your current long-distance company was to ask it to look at your bill and suggest its best plan for you. Or ask for comparisons from other carriers.

Getting the plans in writing helps you see surcharges or penalties that might not be in the sales pitch. If you don't want to do all this comparison shopping, the Telecommunications Research and Action Center sells a chart that compares most of the calling plans (800 344-8722, \$5).

Even if you don't choose a flat-rate plan, under no circumstances should you use a basic program, said Bradley Stillman, the telecommunications policy director for the Consumer Federation of America. "Enroll in a plan," he warned, "or you will pay a rate that is way too high."

GRAPHIC: Chart: "Comparing Rates" shows what AT&T, M.C.I., and Spring charge. (Sources: Company reports; Telecommunications Research and Action Center)

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HEADLINE: AT&T Calls MCI Flat Pricing More Than A Coincidence 09/30/96

BODY:

NEW YORK CITY, NEW YORK, U.S.A., 1996 SEP 30 (NB) -- REPEAT/By Bob Woods.  
AT&T NYSE:T said a move by MCI NASDAQ:MCIC that essentially duplicates its new "AT&T One Rate" flat-rate long distance calling plan is a direct move by MCI to be the "cheap" provider in the US long distance market. Earlier today, MCI said it is applying to Uncle Sam to lower its flat-minute rate to a half-penny below AT&T's 15 cents a minute charge. AT&T spokesperson Mark Siegel told Newsbytes MCI's move to undercut AT&T's rate seemed awfully fishy, especially because MCI asked the US Federal Communications Commission to cut the rate just one day after AT&T introduced its "One Rate" plan.

"To price something literally half a cent below AT&T's rate sort of underscores MCI's desire to be the 'cheapest' long distance company," Siegel said. "I am hard-pressed to see how half a penny is a meaningful savings. It's a gimmick."

AT&T's One Rate plan charges customers 15 cents a minute for long distance calls 24 hours a day, seven days a week (Newsbytes, Sep. 24, 1996), while Newsbytes was told earlier today that MCI's Minutes plan is essentially similar to AT&T's scheme.

Also earlier today, MCI spokesperson Michael Tierney told Newsbytes that AT&T essentially "ripped off" MCI's Minutes plan. Siegel told Newsbytes that MCI's charges are "bulls---."

Siegel said that MCI has never actively marketed its Minutes plan until AT&T introduced its One Rate plan. He also said prior to AT&T's One Rate plan roll out, MCI's Minutes Plan contained "some very interesting restrictions," even though MCI touted it as a no restriction program.

"What's interesting is when they filed that 14.5 cents plan, they also amended their 15 cents a minute flat rate plan by removing two restrictions," Siegel said. "Well, if the plan had no restrictions to begin with, why did they remove them?"

One aspect of the most recent competitive moves between MCI and AT&T that both sides seem to agree on is that these actions do not signal a price war between the top two long distance companies.

In denying the beginnings of a price war, MCI's Tierney maintained that his



company wanted "to maintain its position in the marketplace that it always beats AT&T in pricing." Siegel said AT&T wants to provide its consumers with "simplicity, and to cut all of the complexity out of buying long distance service."

This morning, the Wall Street Journal said MCI's move meant "another price war in long distance communications," and it quoted a Yankee Group analyst as saying "(t)his is starting to look and smell like a price war."

But an apparent war of words between the two companies seems to be a different situation entirely.

Newsbytes notes that AT&T and MCI competitor Sprint also offers a flat per-minute long distance rate of 10 cents a minute, but only on weekdays between 7:00 PM and 7:00 AM, and all weekend long. Calls not made during that time frame cost 25 cents per minute.

AT&T's Web site is at <http://www.att.com> .

MCI's Web site is located at <http://www.mci.com> .

Sprint's site is on the Web at <http://www.sprint.com> .

(19960927/Press Contacts: Mark Siegel, AT&T, 908-221-8422; Michael Tierney, MCI, 800-644-NEWS)

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